WORLD CHRONICLE

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PROGRAMME: "WORLD CHRONICLE"

GUEST: Martti Ahtisaari
Under-Secretary-General for
Administration and Management

JOURNALISTS: James Bone, The Times, London
Ruth Pearson, Business Week Magazine
Tuyet Nguyen, UPI

MODERATOR: Michael Littlejohns

SYNOPSIS

Role of the U.N. in a Changing World

Martti Ahtisaari, Under-Secretary-General for Administration and Management, finds present discussions regarding the role of the United Nations, the Secretary-General and the entire Organization healthy and thinks they show a general expectation that the U.N. will play an even greater role in future world events. With defense expenditures down, he sees a possible peace dividend for the U.N. in the form of increased voluntary contributions to development projects.

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VOICE From United Nations Headquarters in New York, this is **WORLD CHRONICLE**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **WORLD CHRONICLE**.

LITTLEJOHNS: I'm Michael Littlejohns and this is **WORLD CHRONICLE**.

The United States Congress hasn't been the only one having trouble balancing its budget these days. A world organization like the United Nations is also wondering how to meet its financial obligations -- obligations greatly increased by the business of making and keeping peace in the world. A recent success on that score has been UNTAG, the United Nations Transition Assistance Group, which helped Namibia assume nationhood this Spring.

Martti Ahtisaari, the Secretary-General's Special Representative, headed that operation. He has since resumed his duties as Under-Secretary-General of the Department of Administration and Management and is our guest today. Mr. Ahtisaari will be interviewed here at United Nations Headquarters in New York by: James Bone of The Times of London; Ruth Pearson of Business Week Magazine; and Tuyet Nguyen of UPI.

Mr. Ahtisaari, welcome to **WORLD CHRONICLE**.

LITTLEJOHNS: Mr. Under-Secretary-General, at one time the deficit, the arrearages owed by Member States to the United Nations, was way up around three quarters of a billion dollars or more I believe and we heard constant appeals for payment and dire warnings that if the Member States didn't meet their

obligations the United Nations was on the verge of bankruptcy and there were various estimates of how long the Organization could continue to function without receiving these funds. Yet despite all these warnings the Organization did continue to function and the question arises how on earth did you manage?

AHTISAARI: As a matter of fact the Member States owed us more than that. What you were referring to was perhaps what the Member States owed to our regular budget. Even today, the Member States owe us something close to one billion dollars -- $600 million in the regular budget and slightly over $400 million against their debt towards the peace-keeping operations. Obviously we started this year with close to $500 million in debt from the Member States. Member States have paid fairly well though I must say that it's disappointing of course that only 60 Member States have paid fully everything that they owe to the Organization by the end of October.

LITTLEJOHNS: Out of 159?

AHTISAARI: Yes. So there are quite a number of countries who haven't been able to pay their legal obligations. OA the peace-keeping side of course we have a separate budget for each operation so obviously the participating Member States have had to wait for their payments which are due in some cases. IA some cases we have been able to run the operation with less funding than we thought. You refer to the Namibia operation and there we actually didn't use the whole budget that was allocated to us. That's perhaps an exception, but that happened.

LITTLEJOHNS: But even with the kind of budget chopping that you must have had to do in your Department and throughout the United Nations system, given these large numbers that you've just mentioned how could you manage? Were you borrowing money from other people?

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AHTISAARI: No, we didn't. In the past it has sometimes happened that one has had to rely on, for a short time, in borrowing money from the peace-keeping account in order to cover the expenditures but that has not happened lately. The important Member States have been paying in time, many of them, and you have to perhaps keep in mind that 30 Member States are paying nearly 94% of the budget when it comes to the regular budget and we have some very good clients who are basically fighting over who's the first one to pay on the 1st of January.

LITTLEJOHNS: The new budget, the new fiscal year?

AHTISAARI: Yes.

BONE: You had a rather big battle during the setting up of the Namibia operation over the level of funding and the U.N. is about to embark on an even larger operation in Cambodia, how can the U.N. afford these large operations and particularly wouldn't it be better to reform the system of payment for the peace-keeping operations where the large powers pay above their normal assessment?

AHTISAARI: No, it was partly the case of Namibia first of all. It was questioned in the first instance what sort of resources we would require and that of course has budgetary implications as well. What we then finally got was added as I said. The new operations that might be forthcoming, some of them are bigger than Namibia -- obviously you may have Cambodia in mind -- I would assume that if the five permanent members have been planning this operation and prepared the framework which the political parties have accepted they have kept the cost factor in mind because basically whatever the operational plan will be on the basis of which the cost will be finally calculated -- we are not that far yet in the planning -- the

permanent five have kept the cost in mind but it definitely is going to be much costlier than for instance the Namibia operation.

LITTLEJOHNS: People are talking about maybe $5 billion?

AHTISAARI: I think it's totally wrong to mention any figures here because we don't have any. You need a fairly detailed operational plan and that would perhaps require another mission before we can prepare a detailed budget because the budget actually comes last. When you have a detailed plan you see how you are deploying, in what order, what the timing is going to be, then only can you have a final figure.

BONE: May I ask a question about some of the States that aren't members of the Security Council, at least aren't permanent members of the Security Council? There's been an assumption at the United Nations recently that some of the richer states -- Germany and Japan -- will pay for things the United Nations is going to do even if they don't have a permanent seat on the Security Council like Britain, France, China, the Soviet Union and the United States. Recently we've had two situations like that: one was the aid to Jordan to help it bear the effects of the embargo against Iraq and the other is the planned Cambodia operation. Both of these, it seems the permanent members are assuming Japan is going to pay more than its share of this money, would it not be right to let countries like Japan and Germany and possibly some of the larger developing countries on to the Security Council?

AHTISAARI: That's basically an issue that the Member States have to address and that's not something that I as the head of Administration and Management should be actually answering. These are issues that are extremely complicated and

goes to the whole basis of the present Charter and the arrangements that are envisaged there. I'm aware of the discussion that is going on around the membership at the moment but that's really something that the membership has to decide.

PEARSON: Mr. Ahtisaari, there were several years of sharp cutbacks in the U.N. when they were streamlining the budget and cutting back on meetings and personnel, has that helped in any way the budget situation?

AHTISAARI: We were cutting over 12% of our staff in general terms and that was a requirement as part of the reform process. Perhaps the most important reform however was that budgets, since the crisis started, have been approved on a consensus basis and for instance the present outline that the Secretary-General has presented for our budget for '92/'93 shows zero growth. I think it reflects a general concern in all Member States that governmental financing is in difficulties and I think we have to show the same prudence in our budget preparations. We have a much leaner organization now after those cuts and I think the real challenge for the U.N. is going to be to make the Organization even more operational because we are expecting that new field operations, whether you call them peace-keeping operations or otherwise, seem to be coming our way.

PEARSON: You mean more streamlining?

AHTISAARI: Not necessarily streamlining, I think you can always do that. I don't know any organization that would say that it's ready, it has done everything. I think reform is a process that has to be a continuous one. Every living organization has to see can they do the work better, can we organize ourselves better, but I think it is generally felt that the reduction that took place is ending now when we have done what was asked by the Members.

NGUYEN: Mr. Ahtisaari, many international organizations have been trying to readjust themselves to the post-cold war era, including NATO and other European organizations, to shed the vestige of the post-World War II, do you think the U.N. is making the same move toward adjusting itself to the new demands?

AHTISAARI: We discussed Namibia in the beginning and it was mentioned. I think it was perhaps the first example where the co-operation between the two superpowers clearly led to the implementation of that plan after 12 years having been there, ready for implementation. I think it's a real challenge for the Organization to see we have new opportunities. I think it will simply give us more work and in that sense I think we have realized that opportunity.

NGUYEN: How do you deal with those peace-keeping forces that still have a big deficit like UNTAG which you headed? It has a $30 million deficit and UNIFIL for example is owed $360 million?

LITTLEJOHNS: UNIFIL is the force in Lebanon?

NGUYEN: Yes. How do you cope with this situation? How do they regain the money spent on the operations?

AHTISAARI: No, there is a commitment. The tide, to my mind, has changed now in the fact that the latest budget of the United States includes for the first time the full funding for the regular budget and peace-keeping and also 20% on both sides for the old debts that the country owes us and the other major debtor on the peace-keeping side, that is the Soviet Union, they are also slowly paying what they have owed to the Organization.

In the case of Namibia we survived because we didn't need that funding fully that was originally budgeted. We were able to run the operation more economically than we had originally thought.

LITTLEJOHNS: What is the total debt of the United States for the regular budget that's going to be paid off over five years?

AHTISAARI: I think there might be a slight dispute between the United Nations and the government what the actually figure is but it's in the order of I would say around $480 million, but the present budget includes already $44 million of what is owed.

BONE: I'm wondering, over the next five or ten years, how large do you see the U.N. budget growing?

AHTISAARI: As I mentioned earlier the outline for '92/'93 is showing zero growth so we are keeping it, the budget requirements of the regular budget, within that but then you have to keep in mind that there is going to be a special budget for every peace-keeping operation and what we may see in the near future is that the expenditure for these field operations, or peace-keeping operations, is going to be much higher than the regular budget as such and there is of course a slightly different funding formula for those major financiers paying even more towards the peace-keeping operations. So I see perhaps the regular budget maintaining its level or growing perhaps hopefully in the future slightly because I mean there are new activities coming; take for instance human rights, developmental requirements and so on.

LITTLEJOHNS: Plus inflation.

AHTISAARI: ... and drugs to mention a few ideas which would definitely require more resources, but on the peace-keeping side definitely we will see an increase.

LITTLEJOHNS: The programme is **WORLD CHRONICLE**. Our guest is Martti Ahtisaari, Under-Secretary-General for Administration and Management of the United Nations.

PEARSON: With the end of the cold war and the major powers coming to depend more on the U.N., or they say they will, could that possibly imply a peace dividend for the U.N.? Could they give some of the savings to the U.N. budget?

AHTISAARI: I'm happy if they pay what they are supposed to pay according to the agreed assessment scale. Hopefully, the peace dividend will be seen in providing additional voluntary funding for the developmental activities of the Organization and the U.N. system, like the U.N. Development Programme, UNICEF, the Children's Fund, and so on. I sincerely hope that it will also facilitate the financing of the new peace-keeping operations so in that sense I think the answer is yes, hopefully.

NGUYEN: I would like to go back to this question of transition to the post-cold war era. Many delegations have suggested the U.N. to drastically reform its institution including reducing the manpower, increasing the role of the Secretary-General. Many studies have suggested a similar move. So far we haven't seen anything from the United Nations or the Secretariat itself, are you considering any move towards that change or hitting those goals for reform?

AHTISAARI: No, I think we have gone through a major reform programme which started in 1987. We reduced our staff, the Secretary-General reorganized the whole political field, the political departments in the U.N. What he has said in his latest annual report is that we still need to restructure the economic and social side of the Secretariat but that is basically waiting for Member States to decide what they do with the intergovernmental machinery. So these two are tied together because the Secretariat is basically serving. I think there is a healthy discussion about the role of the U.N., role of the Secretary-General and the whole Organization and its capabilities and I think it shows that there is a general expectation that the U.N. in the future will play an even greater role in world events.

LITTLEJOHNS: Do you think that's a realistic expectation?

AHTISAARI: I would think so because if you think of the peace-keeping or field operations that are coming our way, there's quite a number of them in the pipeline waiting to become mature for implementation and I think already next year we will see a major increase in that area.

NGUYEN: There was a suggestion by Japan also to remove some of the provisions in the U.N. Charter which still reflect too much the cold war era and even a proposal by Japan to make the five permanent members of the Security Council to pay more to meet the political power these five have, is that a move that is parallel to what the Secretariat is considering?

AHTISAARI: There is a continuing discussion since I joined the Organization in my present capacity in 1987. There has been ever since a continuing discussion on what is the right scale of assessment, what would be the share of each Member

State in financing the budget. So far there has been no desire to change that formula. There are those who argue that not a single Member State should pay more than 10% for instance. Now the biggest, the United States, pays for the regular budget 25% but that is a formula that is based on the capacity of Member States to pay so if you start tinkering with that then you easily end up with a rather arbitrary arrangement, but that is a continuing discussion and particularly when we were in the financial crisis more voices were heard in favour of changing this formula. It's up to the Member States to decide. This is not something that the Secretary-General or the Secretariat should decide, it's up to the Member States to decide what the formula finally is going to be.

BONE: We've spoken a lot about the demands of political operations like peace-keeping operations on the United Nations -- that field has been growing a lot. A lot of people say that in the 1990s the challenges confronting the United Nations won't be so much political but economic and social; we'll have the AIDS crisis, we'll have drugs, we'll have the environment, what kind of financial demands will these issues make on the Organization?

AHTISAARI: I mentioned that I think hopefully in the future years we can come out of this fairly strong straitjacket where the Member States, the major financiers, are putting the Organization and demanding zero growth when they have financial difficulties themselves. Clearly there are priority areas. I think definitely the developmental side is one of the major challenges for the whole system, not only the U.N. proper and organizations that belong to the U.N. itself, but also the whole field of specialized agencies in their respective fields. I think there's a major challenge for the whole system to see that we turn the developmental tide in the Third World. I would say

particularly in Africa, we address the debt issue as well. Over and above these issues you have the social problems -- you mentioned drugs. I would also say the whole question of human rights where the workload has increased rather dramatically lately because of the changes in the world but the resources have remained more or less stagnant. I think, hopefully, we can address those issues in the future.

PEARSON: Mr. Ahtisaari, is there a contradiction in the fact that the U.N. is being asked to play a larger role in the world and yet the staff has been cut back and many of the departments have been cut back also? Will the U.N. be capable of carrying out this role?

AHTISAARI: The cutback was done on a programmatic basis when we had to cut the staff. If the work load increases and if the financial discipline of the Member States doesn't improve I think we will have difficulties because it's very difficult to start an operation for instance if we don't have for instance cash at hand because in order to start a major operation you need to invest in the beginning. You have to buy goods and services and those are required in the beginning of the operation so what I am hoping for is that the financial discipline of the Member States will improve, and we have more than 60 Member States who have fully paid all their obligations. I must confess that that figure, 60, includes one Member State who according to my statistics owes us $2.00 but we decided to include them.

NGUYEN: When you were Special Representative of the Secretary-General in Namibia you had a real hard time with SWAPO, at one point they even accused you of betraying their cause, so how did you manage to solve it? Do you have any thoughts to share on this experience and on future operations in similar circumstances?

AHTISAARI: I think if you are Special Representative like I was for 13 years, after 12 years we started the implementation, I think you learn to know your interlocutors rather well. The mere fact that we had difficulties in the beginning I think didn't diminish the success of the exercise. I think my relationship is excellent with the leadership of that country and I'm looking forward of hopefully attending their first Independence anniversary celebrations in March next year -- at least I've blocked that week on the request of the Foreign Minister -- in order to be able to attend that. I think the whole exercise was a major success story for the United Nations because we were able to show to the world, which was very important, that given the co-operation of the parties and the resources from the Member States the United Nations can deliver.

BONE: From your experience in Namibia, maybe you could comment on the way that the Cambodia operation is going to be played out. The five permanent members have a peace plan in which the United Nations would virtually take over the government of the country, would take control of five key ministries. There's talk of 10,000 U.N. peace-keepers and more interestingly for me at the moment 10,000 civilian staff, is the U.N. able to mount that scale operation? Where are you going to find 10,000 Khmer-speaking staff to run the Information Ministry, the Finance Ministry?

AHTISAARI: First of all, I have to confess that my responsibilities in the Secretariat are limited to giving backstopping for these operations so we basically have to help to find the resources and backstop when the operation is going to the implementation stage. There are different colleagues who are dealing with the peace-making phase of it, where we are now. I think all these figures are sheer speculation at the moment. They may come fairly close to what you mention but we

don't have exact figures, at least I have not seen those. Obviously, the basic staff has come to from, I would say the hard core staff, has to come from the Secretariat but like in Namibia the majority of people are coming from member governments and being supplied by member governments. How many of them are able to speak the local languages we will have to see and I think in some cases we have to give language training for those who absolutely require the language of the nation.

LITTLEJOHNS: Mr. Ahtisaari, that's all the time we have. Thank you for joining us on this edition of **WORLD CHRONICLE** and for giving us the benefit of your expertise.

Our guest has been Martti Ahtisaari, Under-Secretary-General for Administration and Management in the United Nations. He was interviewed here at U.N. Headquarters in New York by: James Bone of The Times of London; Ruth Pearson of Business Week Magazine; and Tuyet Nguyen of UPI.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **WORLD CHRONICLE**.

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